

Message Text

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PAGE 01 STATE 001504

42

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TO AMEMBASSY GEORGETOWN

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E.O. 11652:NA

TAGS:

SUBJECT: BAUXITE TALKS--NEWS COVERAGE

NEW YORK TIMES ON JANUARY 2ND HAD FOLLOWING ATRICLE DATE-
LINED GEORGETOWN, JANUARY 1: QUOTE GUYANA IS SEEKING
BAUXITE TAKE-OVERS: PRIME MINISTER FORBES BURNHAM SAID
TODAY THE GOVERNMENT OF GUYANA HAD BEGUN NEGOTIATIONS FOR
OWNERSHIP AND CONTROL OF THE BAUXITE MINES AND PLANTS
OWNED BY REYNOLDS MINES GUYANA, LTD., A UNITED STATES
COMPANY. UNQUOTE

QUOTE MINING OF BAUXITE, THE ORE FROM WHICH ALUMINUM IS
REFINED WAS UNTIL JULY,1971 , CARRIED ON BY REYNOLDS AND
DEMERARA BAUXITE, A CANADIAN-OWNED SUBSIDIARY OF ALCAN
ALUMINUM, LTD. THE CANADIAN COMPANY WAS NATIONALIZED THAT
MONTH ON AGREED COMPENSATION OF DOL53.5 MILLION. UNQUOTE

QUOTE YESTERDAY, THE GOVERNMENT PAID AN INSTALLMENT OF
DOL2.4 MILLION TO ALCAN AND THE STATE-OWNED GUYANA BAUXITE
COMPANY, WHICH TOOK OVER THE CANADIAN MINES AND PLANTS,
ANNOUNCED AN INTERIM DIVIDEND OF DOL1.2 MILLION FOR
1973 TO THE GOVERNMENT, THE SOLE SHAREHOLDER. IN DECEMBER,
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PAGE 02 STATE 001504

1972, THE INTERIM DIVIDEND WAS DOL2 MILLION. UNQUOTE

WALL STREET JOURNAL OF JANUARY 3RD CARRIES FOLLOWING ATRI
ARTICLE FROM RICHMOND: QUOTE REYNOLDS METALS HOLDS TALKS

ON SELLING STAKE IN GUYANA BAUXITE UNIT: REYNOLDS
METALS CO. SAID THE MANAGER OF ITS REYNOLDS MINES
GUYANA LTD. BAUXITE MINING OPERATION AND REPRESENTA-
TIVES OF GUYANA HAVE HELD TALKS THAT COULD LEAD TO GUYANA
ACQUIRING A MAJORITY INTEREST IN REYNOLDS' BAUXITE
OPERATION IN THE SOUTH AMERICAN COUNTRY. UNQUOTE

QUOTE THE GUYANA OPERATION ACCOUNTS FOR ABOUT TEN PERCENT
OF REYNOLDS' BAUXITE SUPPLY, THE COMPANY SAID. BAUXITE
IS THE BASIC ORE FROM WHICH ALUMINUM IS MADE, WITH ABOUT
FOUR POUNDS REQUIRED FOR EACH POUND OF FINISHED METAL
PRODUCED. UNQUOTE

QUOTE REYNOLDS SAID EXECUTIVES FROM ITS HEADQUARTERS HERE
WILL MEET WITH REPRESENTATIVES OF THE GUYANA GOVERNMENT
WITHIN THE NEXT FEW WEEKS TO DISCUSS POSSIBLE ACQUISI-
TION OF THE MAJORITY STAKE. UNQUOTE

QUOTE IN JULY 1971, GUYANA BOUGHT THE OPERATIONS THERE
OF ALCAN ALUMINUM LTD. AT THAT TIME, THE GUYANA
GOVERNMENT TOLD REYNOLDS IT WOULD ALSO LIKE TO ACQUIRE A
SHARE OF REYNOLDS' OPERATIONS. QUOTE WE'VE KNOWN ALL
ALONG THE CALL WAS GOING TO COME. UNQUOTE A REYNOLDS
SPOKESMAN SAID. QUOTE NOW IT'S TIME TO TALK. UNQUOTE

QUOTE SOME OBSERVERS ATTRIBUTED THE 30-MONTH DELAY TO
GUYANA'S WANTING TO SEE IF IT COULD SUCCESSFULLY OPERATE
THE OPERATIONS IT ACQUIRED FROM ALCAN. UNQUOTE KISSINGER

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